



NEW MEXICO STATE LEGISLATURE

WELFARE REFORM OVERSIGHT COMMITTEE

2007

INTERIM REPORT

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WELFARE REFORM OVERSIGHT COMMITTEE

ANNUAL REPORT

DECEMBER 2007

Increasingly, state financial support shapes programs and priorities for the poorest of the country's poor—the people who are poor in New Mexico, which was the fourth-poorest state in the country, behind Mississippi, Louisiana and Washington, D.C. last year. A quarter of New Mexico's children were raised in poverty in 2006, and over 18 percent of families were below the poverty level. In the meantime, federal support has declined for programs that help the poorest people to get and retain jobs, leaving states to make up the shortfalls, especially in transportation and home energy assistance funds.

At the same time, federal requirements for states that receive funds for temporary assistance for needy families (TANF) clients became more stringent as the New Mexico Human Services Department (HSD) strategized to keep the maximum number of federal dollars for programs. Due to federal policy changes, education was no longer permissible as a substitute for hours spent working, even though in New Mexico many of the poorest people speak little English and many others are young mothers who could benefit greatly from having an education that could help them rise from poverty permanently. As a result, state dollars had to be diverted to pay for all educational programs for TANF clients, at the expense of other priorities.

The Welfare Reform Oversight Committee (WROC) was repeatedly confronted by these and other crises as it traveled across the state during the 2007 interim, visiting Las Cruces and Alamogordo as well as meeting at the State Capitol during the four-month interim. Its charge to oversee the HSD took top priority, as that department moved to implement new federal rules mandated by the federal Deficit Reduction Act. In addition, state lawmakers continued to be troubled by a lack of substance abuse programs, though substance abuse remains a major barrier to success in returning to work, and by the controversies surrounding the restructuring of the state's domestic violence programs.

The work plan for the 12-member statutory committee called for it to focus on ways not only to get people to work but to keep them in jobs; to oversee carefully the newly created Workforce Solutions Department; and to improve transportation and child care resources for people trying to return to work while raising their families. To do so, the committee traveled to Las Cruces in August and heard from the new work force contractors about the administration of the New Mexico State University (NMSU) development programs, about problems with the Low Income Home Energy Assistance Program (LIHEAP) and its funding, and went to Alamogordo to hear about that community's solutions to transportation barriers. In Alamogordo, where NMSU's work force programs are augmented by city resources and a strong and creative volunteer pool, legislators heard about the city's new coordinated transportation programs paid, in part, by city funds as well as by federal funds to make transportation more reliably available to TANF clients.

In September, the committee examined its child care priorities for those who need such support in order to return to work and heard that the Children, Youth and Families Department (CYFD) is having some success with its "stars" program rewarding the best-trained centers with higher reimbursement rates. The committee heard about innovative Canadian programs where domestic violence offenders receive immediate intervention for drug rehabilitation and, due to

early intervention, domestic violence survivors are less prone to withdraw support for prosecution. The next day, the committee heard from Rob Grunewald, a Federal Reserve Bank economist, about the business and economic benefits of funding early child care generously.

In October, the committee expressed concern about a shakeup in leadership of several domestic violence programs and the executive's addition of a new layer of bureaucracy through creation of a new Domestic Violence Commission. Legislators expressed concern that the current administration offers less transparency as programs—and the new commission—are being added to the maze of domestic violence administration, where an office of victim advocacy and a domestic violence czar already exist hand-in-hand with the CYFD. In addition, the committee heard continued protests regarding the implementation of substance abuse programs, including those for domestic violence offenders through the state's "single entity", ValueOptions. Testifying before the committee in November, ValueOptions introduced its new leadership that was put in place less than a month before, when its chief executive officer changed.

The committee endorsed a roster of bills and memorials for introduction in the 2008 session, mindful that 2008 is the last year of operation for the WROC unless or until it is reauthorized by the legislature. Those measures follow below. As in previous years, much of the committee's work focuses on changes to agency budgets by adjusting executive priorities to those of the committee. In particular, it is notable that the HSD requested no state dollars for LIHEAP, though the WROC endorsed a \$10 million appropriation. In addition, the WROC asked staff to circulate for its consideration a bill requiring the HSD to simplify its enrollment procedures and recertification process after talks in late December with advocates and HSD representatives.

2008 WROC Endorsements

Subject	Sponsor
ABE-GED-ESL -support \$4 million expansion request	Representative Salazar
Housing First (memorial)	Senator Ortiz y Pino
Housing First appropriation	Senator Ortiz y Pino
Behavioral Health Collaborative Revisions	Representative Varela
TANF funds for Pueblo of Zuni and Navajo Nation	Senator Pinto
Subsidizing Hunting and Fishing Licenses for persons who receive public assistance	Representative Garcia
Teen Pregnancy Coalition \$500,000 appropriation	Senator Lopez
LIHEAP Appropriation \$10 million (state general fund)	Representative Sandoval
Education Works \$500,000 appropriation (state general fund)	Senator Lopez

2007 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
WELFARE REFORM OVERSIGHT COMMITTEE

Membership

The Welfare Reform Oversight Committee was created by Section 2-17-1 NMSA 1978 to examine the statutes, constitutional provisions and rules governing welfare reform in New Mexico; monitor and oversee the implementation of the New Mexico Works Act; review issues related to welfare reform, including job training programs and related contracts; oversee cash assistance, child care, transportation and other job-related services and other issues that arise because of the devolution of the federal welfare programs to the states; and make recommendations relating to the adoption of rules and legislation, if any are found to be necessary.

The committee is also charged with hearing about implementation of the New Mexico Works Act from the secretaries of human services; labor; children, youth and families; education; and health. Committee members are:

Members

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan

Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Advisory Members

Sen. Ben D. Altamirano
Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Rep. Miguel P. Garcia

Rep. Larry A. Larrañaga
Rep. Steven P. Neville
Sen. John C. Ryan
Rep. Edward C. Sandoval

Work Plan

The Legislative Council has requested that this committee ensure that welfare policies in place in New Mexico focus on sustained employment rather than one-time hiring and pay careful attention to implementation of programs organized under the new Workforce Solutions Department. In addition, the council has reaffirmed the committee's role in identifying and resolving problems, where possible, arising from barriers to employment. Such barriers include training, educational needs and a lack of transportation and child care, particularly in rural areas. The council has asked the committee to require a detailed action plan by the new Workforce Solutions Department to ensure that the department is able to meet its performance measures.

In order to meet these and its remaining statutory obligations such as monitoring job training programs and related contracts, oversight of cash assistance, child care, transportation and other job-related services and issues related to federal welfare program changes, the committee proposes the following work plan:

Overall, the committee will make this a "results" year. It will ask presenters to evaluate program success and failure and will even ask whether welfare "reform" itself is a success.

In July, the committee proposes to examine the implementation of new workforce development programs in Las Vegas, New Mexico. Contractors for New Mexico Highlands University will be asked to appear and to testify before the committee. The committee will expect to be able to address these questions with the Workforce Solutions Department: to what extent will the department seek to reform or streamline local workforce boards, and will the Workforce Solutions Department and the Human Services Department join forces for job placement through one-stop outlets? In addition, the issue of rural transportation and alternatives for improving quality transportation for those in the field will be examined. Problems with substance abuse administrators and related issues of substance abuse as a barrier to work are also on the agenda.

In August, the committee will meet in Las Cruces and Alamogordo to tour facilities and meet with people involved with the state university's administration of workforce development programs in southern and central New Mexico. Because New Mexico State University has become the largest contractor for workforce development programs, the trip to its home town is particularly worthwhile. The new secretary of higher education will be invited to share his goals for adult basic education, English as a second language and other community college adult programs. The Public Education Department will be asked to address concerns for high school dropout rates.

At that same meeting, the secretary of the new Workforce Solutions Department will be requested to appear for a discussion of appropriate performance measures and details of her plans for the newly created department. The Human Services Department will be asked to give preliminary information on performance measures for work goals that both meet federal requirements and reflect the New Mexico Legislature's interest in long-term employment. The Human Services Department will then be asked to return at the end of the interim to report on short-term successes in measuring long-term employment. Finally, the committee will hear about teen pregnancy programs and immigration issues as they pertain to workforce development.

In September, the committee will focus on the barrier of domestic violence. It will also take the first of at least two looks at issues surrounding child care. The committee will visit a five-star child care facility for a look at what components are critical and, ideally, a discussion of costs and incentives for quality. In addition, the committee will hear about utility affordability and permanent state funding for the low income home energy assistance program and about agricultural sustainability and ways poor people can benefit from farmers' market programs.

In October, the committee will examine policy and statutory problems with increasing the number of daycare slots in quality facilities and proposals for more efficient delivery of child care services. The committee will also expect to hear from the Economic Development Department about the additional \$12 million in state funds for job training and from administrators and clients involved with individual development accounts. In addition, it will hear about transition services for children who were once in foster care; disqualifications or decertification for cash assistance by the Human Services Department; and compliance with a court order requiring notice to those whose benefits are about to cease.

In November, the committee will review performance measures from the Workforce Solutions, Human Services, Children, Youth and Families and Higher Education departments for

improvements for adult education and recommend legislation.

2007 Meeting Schedule

<u>Date</u>	<u>Location</u>
June 12	Santa Fe
July 5-6	Santa Fe
August 1-2	Las Cruces/Alamogordo
September 6-7	Santa Fe
October 9-10	Santa Fe
November 27-28	Santa Fe

**MINUTES
of the
FIRST MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

June 12, 2007

The 2007 organizational meeting of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Tuesday, June 12, 2007 at 10:20 a.m. at the State Capitol. There were no handouts.

Present

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Gloria C. Vaughn

Advisory Members

Rep. Miguel P. Garcia

Absent

Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Sen. John Pinto
Rep. Shirley A. Tyler

Sen. Ben D. Altamirano
Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Rep. Larry A. Larrañaga
Rep. Steven P. Neville
Sen. John C. Ryan
Rep. Edward C. Sandoval

Staff

Jennie Lusk
Carrie McGovern

Guests

The guest list is in the meeting file.

Tuesday, June 12

Work Plan

The chair welcomed members back for another interim session in which, she hopes, the committee could help families on the financial brink. She said that the role of the Welfare Reform Oversight Committee is critical in strengthening New Mexico's families. She requested comments from committee members as to changes to the work plan, which was presented in draft form.

Legislators emphasized the needs for results and measurable means of evaluating whether programs are meeting the needs of families and the state. They also discussed the need to evaluate the success or lack of success of welfare reform in general. Representative Lujan mentioned the book, "Assets and the Poor", and suggested that the committee ask for an evaluation of individual development account programs, since such programs help poor families build assets and this is the best way to guarantee a move out of poverty. Concerns were expressed about the fact that graduation rates indicate that fewer than 50 percent of minority children in New Mexico will graduate from high school, and members expressed interest in hearing about graduation statistics and plans for improving graduation rates. Other topics suggested for addition to the work plan were: teen pregnancy programs; agricultural education and training programs to encourage poor people to increase individual farming; the importance of health care costs in moving people out of poverty; the importance of substance abuse programs in helping people to get off and stay off drugs so that they can enter the workforce; domestic violence and rape prevention; and immigration. Representative Varela encouraged a closer relationship with the Legislative Finance Committee, so that the Legislative Finance Committee is aware of the Welfare Reform Oversight Committee's priorities. The chair was notified of special concerns about funding for adult basic education. The work plan will be modified to reflect these priority changes.

Domestic Violence Programs and Funding

Dorian Dodson, secretary of children, youth and families, appeared before the committee to report that "not a dime" of the temporary assistance for needy families (TANF) funds allocated for domestic violence programs will revert to the federal government, despite any information to the contrary that committee members may have heard. At one point, it appeared that \$1.3 million of the \$2 million in TANF dollars that transferred from the Human Services Department (HSD) to the Children, Youth and Families Department (CYFD) could not be obligated during the current fiscal year because of problems in issuing requests for proposals (RFPs).

The secretary explained that HSD had channeled TANF dollars to the New Mexico Coalition Against Domestic Violence when HSD was in charge of domestic violence funds. However, when CYFD took over TANF domestic violence programs, a decision was made not to operate through the coalition but instead to issue money directly to providers through a competitive process. Some providers continued to apply through the coalition, but the coalition was not responsive to the RFPs, the secretary said, and some individual responses were also not responsive.

Senator Lopez asked the secretary a number of questions. Among them, she asked whether programs that underspent their budgets will be receiving new money; whether the administration was committed to its assurances that existing services would not be disrupted with a change of administration from HSD to CYFD; and what steps legislators could take to ensure that domestic violence dollars are well-spent. Secretary Dodson said that she asks programs that consistently underspend their budgets whether they actually need their current level of appropriation, since they jeopardize funding if they do not spend the money allocated to them. Because of the lateness of issuing the RFPs, some groups have had a difficult time obligating the money and spending it by June 30. In order to answer the questions regarding disruption and effectiveness, the secretary offered to return to the committee with a plan of how to work together with all domestic violence programs.

Representative Begaye, who left the Water and Natural Resources Committee meeting in order to attend the Welfare Reform Oversight Committee's domestic violence discussion because of concerns over domestic violence funding, said he wants to see domestic violence programs located in every county. He said that both the members of the Native American and New Mexico Coalition Against Domestic Violence have had concerns with the shift in the coalition and with CYFD funding and noted that problems began when administration of the domestic violence programs shifted from HSD to CYFD. He mentioned the Shiprock shelter and a shift in emphasis there from a family-based model to almost a behavioral health model and a change in service protocols to "unit costs" rationales for expending state dollars. He noted that there is only one shelter operated by the Native American Domestic Violence Coalition, the shelter is at full capacity and new Native American domestic violence programs have not been initiated despite recurring domestic violence issues in Shiprock and Gallup. He suggested that infighting among the domestic violence czar and the head of the domestic violence coalition be minimized so that people who need services are not penalized for political strife.

Secretary Dodson agreed to forward information to staff about domestic violence budgets. She also invited committee members to take part in roundtable discussions on domestic violence throughout the state. David Lucero, Legislative Finance Committee analyst for domestic violence programs, was asked to track and report performance measure changes between RFPs for domestic violence providers under both HSD and CYFD.

On a question from Senator Ortiz y Pino, Secretary Dodson said that she was comfortable with saying that all programs that applied for funding will continue to get it, that local services are not affected and that her department is providing technical assistance to groups whose RFP responses were not adequate. There is no documentation of persons being turned away from shelters over issues of funding. In some cases, there is not enough room in current shelters, but she does not consider this a funding issue.

Senator Lopez added that the amount of money in dispute — some \$2 million — may seem small, but it is crucial for those who need services. She asked that the secretary ensure that communications improve among the department and providers.

Senator Beffort reported that she had discussed the \$250,000 appropriation from the general fund for domestic violence with the secretary. She said the "bottom line" is that New Mexico continues to have one of the worst domestic violence situations in the whole country, that domestic violence always escalates and that the committee continues to need information about services. She has asked that Dr. Sue Ludwig be included on a committee agenda to talk about a program with male offenders that has shown success in reducing recidivism. Finally, she said, most domestic violence victims are TANF-eligible and internal disputes cannot be allowed to damage delivery of any services. She would like to see any remaining problems mended by this summer.

The committee decided to make domestic violence, and funding and programs associated with delivery of domestic violence programs in New Mexico, a major focus for its September

meeting. Representative Trujillo asked whether rape crisis centers can be included in requests for domestic violence funds, and the secretary responded that a rape crisis center is already getting domestic violence funds. The new secretary of health will be asked to appear and state his goals in the area of domestic violence.

Public Comment

Sandra Corriveau requested that the committee change its plans to visit Las Cruces from July to August and the committee agreed.

Adjournment

The committee adjourned at 12:02 p.m.

Revised: June 28, 2007

**TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE**

**July 5-6, 2007
State Capitol, Room 322
Santa Fe**

Thursday, July 5

- 10:00 a.m. **New Organization of Labor Programs — New Secretary's Report**
—Betty Sparrow Doris, Secretary, and Raymond Gonzales, Deputy Secretary,
Workforce Solutions Department
- 12:00 noon **Lunch**
- 1:00 p.m. **Higher Education — New Secretary's Report**
—Dr. Reed Dasenbrock, Secretary
- 3:00 p.m. **Northern Region Transition Update**
New Administration of Northern Area Workplace Programs
—New Mexico State University Transition Team

Friday, July 6

- 9:00 a.m. **Human Service Department Priority Reports**
—Katie Falls, Deputy Secretary, Human Services Department
- ▶ Outreach Efforts for Food Stamps
 - ▶ Implementing the Food Stamp Supplement for the Elderly
 - ▶ LIHEAP — Plans for Using the \$6 Million Appropriation
 - ▶ TANF — Plans for the Additional \$2 Million Appropriated for TANF
Employment
 - ▶ Medicaid Outreach
 - ▶ Response to the Impact of the Deficit Reduction Act

**MINUTES
of the
SECOND MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

July 5 and 6, 2007

The second meeting of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Thursday, July 5, at 10:45 a.m. at the State Capitol. Handouts are in the meeting file.

Present

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Clinton D. Harden, Jr.
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Absent

Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Rep. Antonio Lujan
Sen. John Pinto

Advisory Members

Rep. Candy Spence Ezzell
Rep. Daniel R. Foley
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga
Sen. John C. Ryan
Rep. Edward C. Sandoval

Sen. Ben D. Altamirano
Rep. Steven P. Neville

Staff

Jennie Lusk
Carrie McGovern

Thursday, July 5

New Organization of Labor Programs—New Secretary's Report

David Lucero, analyst with the Legislative Finance Committee, briefed the committee on the origins of the new Workforce Solutions Department (WSD), which was created by combining the former Labor Department and Office of Workforce Training and Development. He noted that the new department will have a unified budget in fiscal year 2008 and report one budget beginning fiscal year 2009.

Betty Sparrow-Doris, secretary, WSD, and Raymond Gonzales, deputy secretary, WSD, reviewed with the committee the organizational chart and noted that the agency had created a two-year strategic plan that was accepted by the state workforce development board (SWDB) on June 22, 2007, required as a condition of receiving federal funds. The secretary noted that she has also created a transition team composed of employees of both the former agencies and

created workgroups for professional services, business services, financial information, organizational components, state plans, administration and information technology.

Legislators expressed concern that the SWDB was on equal footing with the department in the organizational chart. The legislature should be able to hold the secretary ultimately responsible rather than having a board with final authority. Representative Varela said that he did not recall that the state board would have to approve a state department budget or unemployment compensation even though he sponsored the bill creating the department. Ms. Sparrow-Doris said that there is a plan to analyze the federal statute requiring workforce boards and House Bill 1280 creating the WSD to make sure the department complies with both.

Other questions revolved around the issue of the WSD's relationships with the Public Education Department (PED), Higher Education Department (HED) and Economic Development Department; plans for working with the business community; predicting labor force requirements and ensuring that New Mexico has a workforce able to meet the educational and other demands of business; and making sure that every business that wants a qualified worker has one. The secretary was asked to bring a plan for workforce education before the committee this interim, covering coordination between adult basic education and hiring programs. Discussion also concerned the 40% dropout rate in New Mexico schools, the need to prevent dropouts and re-engage them. Ms. Sparrow-Doris also discussed her two-pronged approach to improvements in workforce development: first, getting the data needed to predict gaps between jobs needed and skills available; and second, moving into the business community to ensure that people are well prepared. She promised that the legislators would see results.

Legislators required that the secretary summarize the one-stop shop plans, plans for on-site training and information technology. Senator Harden asked about the number of people engaged in business outreach and was told that the secretary anticipates hiring approximately five to seven persons, most of them in Albuquerque, to reach out to businesses. The senator emphasized that the SWDB does not have authority over the department and suggested the secretary discuss the matter with her legal counsel. He also asked how much of the approximately \$16 million will go to local boards for training versus going to the department for administration and was told that at least 70% must go to local boards for training.

The secretary was asked to return to the committee in November with a report on the following:

- * her plan for education, coordinating workforce needs with the PED;
- * the numbers of persons enrolled in job education versus classroom education;
- * plans for preparing the workforce;
- * the average anticipated cost for training; and
- * the numbers of people served and trained.

She was also asked to ensure that someone from her department attends all Welfare Reform Oversight Committee meetings.

Higher Education

Reed Dasenbrock, the new secretary of higher education, talked about his vision and the importance of education in the country's history, noting that the United States has led the world until recently in its percentage of educated citizens, in the inclusiveness and practicality of its educational system and in grounding education in the community. He said that there is no way for the country to regain its leadership role and move up from its eighth place position among industrialized countries in numbers of people who have attained an associate's degree or higher because it is so far behind. In fact, the country will continue to slide for some time, even though every degree of attainment translates to more income and more employability. The new secretary has in mind creating a statewide educational policy that draws students in, encourages them to stay and then graduates them.

Among the initiatives of the HED are a \$10 million program to serve the 22,000 persons who still need adult basic education, the "gear up" federally funded grant for \$18 million identifying seventh and eighth graders in low-performing schools and tracking them through college and a new workforce education department headed by Len Malry, formerly head of the Office of Workforce Training and Development.

The new secretary discussed the serious problem that more than one-half of students entering colleges in New Mexico require at least one remedial course and that numbers of students in remedial courses correlate with dropout rates. Legislation introduced last session would mandate a junior year assessment in math and English that would guide the coursework for students in the last three semesters of high school.

To encourage students to stay in school, the secretary is working on making schools more affordable—seeking more money for scholarships from the lottery, as well as continuing to increase funds in the College Affordability Act. He said work-study does not help with retention for students, but working on campus in a job related to a student's field does correspond with success. The secretary also wants to coordinate programs among New Mexico institutions of higher education so that every four-year college will automatically accept a student who holds an associate degree from a two-year institution, so that various universities offer courses on each other's campuses and so that each county has at least one center for educational services. Students need to be able to navigate among campuses more easily and to have their coursework transfer among campuses more easily.

Questions and comments included the need to coordinate with vocational education programs; the need for remedial courses; the virtues of online education; minimizing the urban-rural divide; and the need for a seamless education. Senator Ryan talked about associate degree programs in film and suggested creating "learning centers" that involve private industry in learning. The secretary voiced his support for requiring more algebra and common examinations at the high school level and the discrepancy in pay between adult basic education teachers and other higher education faculty. Pam Etre Perez, director of adult basic education programs for HED, was in the audience, and when called upon, she reported that there currently is no salary scale for adult basic education teachers.

The secretary was asked to provide Representative Ezzell with a list of the "gear up" schools. In addition, he was asked to define his work with regard to the WSD in an action plan and to consider establishing a Native American council similar to the one that assists with PED. Secretary Dasenbrock said that the legislature was clear in its expectations for K-12 education and that a similar set of express priorities and requirements would be helpful for higher education. The secretary will be asked to provide to the committee with a report on the department, its goals and accomplishments by the committee's November meeting.

Minutes

The minutes of the June 12, 2007 meeting were approved on a motion by Representative Varela seconded by Senator Harden.

Transition of the Northern Region

Tracy Simpson, assistant director for the central New Mexico workforce area, and Katrina Vigil, assistant director of the New Mexico Works Program, testified with Sandra Corriveau from New Mexico State University (NMSU), which runs most of the state's workforce development programs. NMSU took over administration of the northern area as of July 1. It has been the administrator of the central area programs since 2006 and in the south since 1998. The program's clients are food-stamp eligible. In the northern area, however, NMSU will not be the service provider for temporary assistance for needy families (TANF) clients.

The presenters said they are trying to avoid any "hiccups" in service during the transition of services in the north. Current personnel are in place, and the new managers have hired all the case managers who were already working in the New Mexico Works Program. NMSU benefits are available to the staff, including annual and sick leave and retirement. Clients saw the same people on June 30 as they did July 1, when NMSU assumed control over the programs. Support staff is not entirely the same, and jobs are posted.

The new managers need to replace and upgrade the computers in Las Vegas, but they will continue to collaborate with the workforce training center.

The presenters said that the Las Vegas area poses a challenge since it has an average unemployment rate of 8.2%, more than twice the state average.

Questions included those concerning the decrease in the TANF population and particularly where dollars go if they are not spent. Last year, between \$3.8 and \$3.9 million was left unspent, reflecting savings in the number of full-time employees.

Representative Varela asked about virtual workforce centers with links to food stamp offices and the Human Services Department. Ms. Corriveau responded that there is an effort to develop a "superlink" on the NMSU web site for users of such services, and she noted that there already is a web-based common application.

Friday, July 6

Human Services Department Report—Katie Falls

Katie Falls, deputy secretary of HSD, reported to the committee's on several important issues. Her materials are in the meeting file.

Ms. Falls said that Representative Garcia's suggestion to reach out to churches to promote use of food stamps has been successful, and the department is working with the Mexican consulate to help distribute information on availability of food stamps. A governor's fellow has been tasked with outreach to the Catholic churches to put messages in the church bulletins on the importance of feeding one's family. In addition, Fred Sandoval, director of the Income Support Division of HSD, has been on the radio and the department has developed an ad celebrating the thirtieth anniversary of the food stamp program.

The food stamp supplement for the elderly passed during the past session should help seniors double their available cash for supplemental food purchases from \$10.00 to \$20.00. This year's additional appropriation is in the budget itself. Working with the Aging and Long-Term Services Department, HSD has helped to train outreach workers in senior citizen centers, where seniors are reluctant to take what they consider to be "welfare".

HSD has also made available \$500,000 to PED for school breakfasts and lunches.

The TANF program has received \$2 million in federal dollars for the New Mexico Works Program. The major impact of that program is that there is now a rule requiring 90% of all parents living in two-parent families to work. No state, Ms. Falls said, has ever met a 90% participation rate. The definition of "work activity" used to be left to states, but that has changed as of this year, too, so now fewer activities qualify and fewer employers are willing to comply with newly established documentation requirements in order to continue eligibility. Unlike last year at this time, education, hunting for a job or life skills classes no longer count for federal purposes as "work". Fewer employers are willing to take TANF clients on, Ms. Falls said, both because of these changes and because a great deal more documentation is required on all TANF recipients. The department's work plan submitted to the federal government has not yet been approved.

In order not to lose federal funding, the department has shifted some two-parent families to a program that is funded entirely with state funds. It has created the Works Plus Program to help get data on placement of TANF clients. There is also a job retention bonus program now in statute. Previously, job retention was a hidden incentive, but now people will know that they can earn a bonus for staying on the job. In April 2007, the TANF caseload was 13,560 households. Approximately 70% of those were exempt from work and were shifted to the New Mexico Works funding. Federal law requires that 50% of individuals with TANF benefits work full-time. In New Mexico, 51.9% are working in the northern region; 42.1% in Colfax County and the far northeastern region; 42.1% in the central region that includes Bernalillo County; 39.2% in Roswell; and 47.7% in the southwestern region.

Ms. Falls asked Cathy Sisneros, bureau chief for the Work and Family Support Bureau of HSD, to brief the committee on the Low Income Home Energy Assistance Program (LIHEAP). Ms. Sisneros noted that the state gave \$6 million for the program in the past year. The same amount was passed by the legislature for fiscal year 2008, but that amount was vetoed.

The department is attempting to address legislators' concerns about the ability of propane users to benefit from the LIHEAP plan; consequently, it is tracking 256 vendors, 96 of whom currently receive LIHEAP. Only 12% of LIHEAP vendors are propane suppliers.

This summer, HSD is doing outreach to propane vendors and will have an RFP for a fiscal agent to manage a portion of the work. A moratorium on disconnects still exists, but it does not apply to propane users.

Senator Ryan said that the need for LIHEAP funds has not gone down, though appropriations have gone down significantly since the special session that appropriated \$23 million for LIHEAP. Representative Sandoval said that a subcommittee that studied LIHEAP funding last winter found that it would take \$100 million to make a real impact on utility affordability. Up to 15% of money appropriated can go to weatherization projects for LIHEAP customers. Representative Trujillo suggested that perhaps the definition of "utility" may need to change in order to address these and other problems.

Ms. Falls added that the department is doing streamlined eligibility so that if a person is eligible for TANF or food stamps, that person is presumptively eligible for LIHEAP funds.

Representative Varela asked Ms. Falls about federal money left unspent and whether it reverts to the federal government. Ms. Falls answered that the department can keep the funds, but must use them exclusively for cash assistance.

Discussion ensued on whether the utility affordability issue is a state or a federal issue. A full LIHEAP presentation will be scheduled for the August 1-2 meeting. The committee will consider whether LIHEAP is the best way to deal with affordability problems and examine other state LIHEAP approaches.

Ms. Falls continued with a presentation on new federal Deficit Reduction Act (DRA) provisions. She said that New Mexico avoided having a glut of TANF clients eliminated from the rolls by federal eligibility qualifications by delaying recertification. However, seven states implemented the federal requirements, and in all of those states, the number of TANF recipients was greatly reduced. The Department of Health has established a web portal so that people in New Mexico can get onto that portal whether or not they are born in New Mexico.

Ms. Falls also talked about Medicaid outreach, noting that the department, assuming that children are eligible, has automatically enrolled 5,780 children and has simplified the application process to parents, sending information in a self-addressed envelope, by making it easier for persons to get in to see an income support person and by simplifying recertification. Gail Evans, legal director of the New Mexico Center for Law and Poverty, spoke from the audience and asked

that Representative Varela's joint memorial, requiring HSD to analyze its recertification processes, be implemented.

Senator Ortiz y Pino asked about the status of the Education Works Program and was told that it currently has 1,053 persons enrolled and that it is in the department's base budget. Next year, Education Works will be removed from the TANF "map". Other questions centered on the budgetary placement of the Navajo and Zuni TANF line items, the senior food stamp program and the child support income disregard. The new staff, Teresa Saavedra, who starts on July 16, will be scheduled for a later agenda.

Adjournment

The committee adjourned at 12:00 noon.

**TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE
August 1 and 2, 2007
Las Cruces, Alamogordo**

Wednesday, August 1

**New Mexico State University (NMSU) Golf Course Club House
3000 Wimberly Drive, Las Cruces**

- 10:00 a.m. **Welcome**
—Dr. Michael Martin, President, NMSU
- 10:15 a.m. **NMSU-New Mexico Works Program Overview — Results and Retention**
—Dr. Paul H. Gutierrez, Vice Provost for Outreach Services and Associate Dean
and Associate Director of Cooperative Extension Service, College of
Agriculture and Home Economics, NMSU, and Director of New Mexico
Works Program
—Laura Orta Elmquist, Associate Director, Southwest Region for New Mexico
Works Program
—Carolyn VanderGiesen, Associate Director for Central and Northern New
Mexico Region, New Mexico Works Program
- 12:00 noon **Lunch**
- 1:00 p.m. **Utility Affordability**
—Jami Porter Lara, Community Action New Mexico
- 2:00 p.m. **Weatherization Programs**
—Lionel Holguin, New Mexico Mortgage Finance Authority
- 3:00 p.m. **Need for and Availability of LIHEAP Program Funds**
—Cathy Sisneros, Bureau Chief, Work and Family Support Bureau, Human
Services Department
- 4:00 p.m. **Changes Needed for Public Regulation Commission**
—Roy Stephenson, Public Regulation Commission

Thursday, August 2

**Alamogordo Civic Center
Main Auditorium
800 E. 1st Street
Alamogordo**

- 9:00 a.m. **Integrated Approaches to Workforce Training**
—Jimmie Shearer, Chair, Eastern Area Workforce Board
—Lee Tillman, Executive Director, Council of Governments, Administrator of the
 Eastern Workforce Development Board – Model One-stop Programs
—Ed Carr, Executive Director, Otero County Economic Development Council,
 Alamogordo Chamber of Commerce – Advanced Business Center
—Cheri Jimeno, Chief Executive Officer, NMSU-Alamogordo
—Dwight Harp, Small Business Development Center
—Lois Johnson, Division Director for Workforce Transition Services
- 11:00 a.m. **Therapy and Transportation Services for Poor Clients, Infants of Teen
Parents and Developmentally Disabled Children and Adults**
—Joe Hardin, Transportation Director, Zia Therapy Center
—Sherill Bodwell, Chief Operating Officer, Zia Therapy Center.

For those traveling from Las Cruces, take Highway 70 into Alamogordo, where it will merge into White Sands Blvd. Continue on White Sands Blvd. until you see First Street. Turn right (east) on First Street and go to the second stoplight. The civic center is on the corner.

**MINUTES
of the
THIRD MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

**August 1-2, 2007
New Mexico State University Club House
Las Cruces**

The second meeting of the Welfare Reform Oversight Committee was called to order by Senator Linda M. Lopez, chair, on Wednesday, August 1, 2007, at 10:20 a.m. at the New Mexico State University (NMSU) Golf Course club house in Las Cruces. Handouts are in the meetings file.

Present

Sen. Linda M. Lopez, Chair
Sen. Clinton D. Harden, Jr.
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Sen. John Pinto
Rep. Nick L. Salazar (8/2)
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn (8/2)

Absent

Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Rep. Jim R. Trujillo

Advisory Members

Rep. Miguel P. Garcia
Rep. Candy Spence Ezzell
Rep. Edward C. Sandoval (8/1)

Sen. Ben D. Altamirano
Rep. Daniel R. Foley
Rep. Larry A. Larrañaga
Sen. Steven P. Neville
Sen. John C. Ryan

(Attendances date are noted for those members not present for the entire meeting.)

Staff

Jennie Lusk
Randi Johnson

Guests

The guest list is in the meeting file.

Wednesday, August 1

NMSU Works — Program Overview

Dr. Paul Gutierrez, vice provost for outreach services, associate dean and associate director of the Cooperative Extension Service at the College of Agriculture and Home Economics at NMSU and director of the New Mexico Works Program, talked with the committee about the importance the university gives to workforce programs, particularly the Temporary Assistance to Needy Families (TANF) Program. The southern New Mexico Works Program has 40 staff members and its budget totals \$9 million. Dr. Gutierrez noted that there has been a steady decline in participants and caseloads for TANF from October 2006 to April 2007. The federal Deficit Reduction Act, with its increased requirements for reporting and monitoring, may be a factor in that drop. NMSU plans to reduce the amount of monitoring required while maintaining federal requirements and institute new strategies for administrative tasks to counteract the decline. In addition, changes are needed to make the use of the services more friendly, including simplifying the time sheet and making it bilingual.

Ida Starling, a client from workforce training, came and told her story.

Carolyn VanderGiesen, associate director for the program, reviewed the services offered by her group and outlined the organization of those services. Her handout is in the meeting file. She noted problems in the central area: there are high numbers of poor people (21% are on food stamps in Torrance County) and there is a decline in caseloads and decentralization in Bernalillo County. With the decline in caseloads, it may be possible to have a better staff-to-client ratio. Right now, the Human Services Department (HSD) personnel come with the client directly to the workforce program and training is individually tailored to the client's needs. If a client is facing more than one barrier, the program gives a comprehensive assessment as well as an individual responsibility plan.

The presenters summarized the successes of the central program, including 9,000 activities and 2,300 job placements. They noted that Albuquerque may be able to reach the \$7.50 mark for wages, but only 46.8% of the TANF workforce is employed. There is an increased need for translators, office space and transportation.

Welcome to NMSU

Dr. Michael Martin, president of NMSU, welcomed the committee to Las Cruces and to the state's land grant university, which he called "the people's university by law and by tradition". He said NMSU can help in many ways for the population from kindergarten through age 20, and doing so is a priority because education helps create opportunities and increase economic stability.

Return to Workforce Presentation

On questions of the committee, Ms. VanderGiesen said that the Bernalillo County TANF offices are below the 70-to-1 staffing ratio. Ms. Elmquist said that the department can lose track of TANF participants who are not seeking services (causing the drop in caseload), because the population is mobile. Dr. Gutierrez emphasized that transportation remains a major problem, in part because most federal money goes to mass transit.

The committee discussed being more careful to insert goals for workforce improvement into the budget to ensure that the state is meeting the federal requirements for single- and two-parent working hours. David Lucero, Legislative Finance Committee analyst, explained that the state has removed clients in the Education Works Program from the TANF rolls. The discussion turned to child care and the possibility of training child care providers as part of their work requirements, and Ms. VanderGiesen said an initiative is underway to do that. Ms. Elmquist said that, though becoming a child care provider when one's children are young may be attractive, child care does not move the worker out of poverty reliably because wages remain low. Ms. VanderGiesen said that one of the most difficult challenges for the program is to get clients who have substance abuse problems to enroll in and use ValuOptions programs. For some southern rural areas, the closest ValuOptions location remains in Albuquerque and outpatient slots are limited, even if transportation is readily available.

At-Home Infant Care

Las Cruces-area women, Margie Vigil and Susan Ramirez, spoke to committee members briefly about the success of the program, though more will be presented to the committee in the coming months. The At-Home Infant Care Program encourages parents to learn more about child development and how to raise children in a loving, nurturing environment. The program pays parents who are at 100% of the federal poverty level or less to stay home with their children, using the stipend as an "extra" for family income rather than as part of the necessary budget. Children and parents bond more closely, and the parents learn to manage home life with some energy left to spare.

Low Income Home Energy Assistance Program (LIHEAP)

The committee focused on aspects of LIHEAP and suggestions for future policies and funding.

Jami Porter Lara, Community Action New Mexico, noted that 193,000 disconnect notices were sent after the moratorium on disconnecting utilities ended last winter. Energy affordability and hunger are two central problems for getting New Mexico residents out of poverty. Approximately 200,000 households in this state are eligible for LIHEAP funds, but only a fraction receives assistance. Approximately one in four households pays approximately 20% of household income toward utility bills. LIHEAP funding is an emergency response to a utility crisis, not a comprehensive solution, she said.

New Mexico legislators should tell the Public Regulation Commission (PRC) through legislation that the PRC is within its authority if it begins taking on "social ratemaking", i.e., discounting rates for certain individuals or classes of individuals as it does for businesses and the telephone company. Ms. Porter Lara outlined several strategies in use in different states to provide support for low-income individuals: (1) discounting a fixed percentage of a bill; (2) allowing some customers not to pay a customer charge; (3) establishing "lifeline" rates for people earning only a certain amount; (4) fixing costs at a percent of annual income; (5) banning late fees; (6) weatherization; and (7) requiring that affordable housing made available for low-income people through the state be built to energy-efficient standards.

Lionel Holguin, New Mexico Mortgage Finance Authority, reported that 8,800 homes had been weatherized in the past two years through his organization. It is under a two-year

contract with the Public Service Company of New Mexico (PNM) to weatherize homes for low-income people who are gas customers of PNM. Thus far, 1,120 homes have been weatherized under the PNM program, but Mr. Holguin said such a program barely "scrapes the surface", as some 126,000 homes could be eligible and only 1.3% of those eligible homes are being weatherized. If the state makes a permanent source available for weatherization, there would be a benefit in the vitality, number of jobs and income available for other services and goods diverted from home heating.

Cathy Sisneros, HSD, reviewed the numbers for LIHEAP benefits for clients in New Mexico over recent years and noted that the \$188 million affordability gap for New Mexicans is an important number to remember. The department provided 15% of LIHEAP funds for weatherization.

Roy Stephenson, director, Public Utility Division, PRC, cited Section 62-8-6 NMSA 1978, stating that "No public utility shall, as to rates or services, make or grant any unreasonable preference or advantage to any corporation or person within any classification or subject any corporation or person within any classification to any unreasonable prejudice or disadvantage. No public utility shall establish and maintain any unreasonable differences as to rates of service either as between localities or as between classes of service. Nothing shall prohibit, however, the commission from approving economic development rates and rates designed to retain load". He emphasized that the statute includes the word "unreasonable" in describing differences in rates. The PRC would need express authorization from the legislature to set rates lower for low-income customers or set other ways to keep the poorest people from falling between the cracks. He noted that the commission has less authority over rural electric cooperatives. However, energy efficiency is part of the charge of the commission. The commission seeks to balance the interests of all the parties.

He suggested creating incentives to conserve as a means of delivering a lower rate and said that a person who causes an increase in utility consumption should pay, i.e., the person with the plasma television versus the person heating a modest home. An escalating rate for increased use could encourage efficiency and conservation.

Discussion centered on legislative strategy for future sessions, the merits of Representative Miguel P. Garcia's bill and Speaker Ben Lujan's bill for LIHEAP permanent funding and the possibility of devoting one-half of any funding to weatherization. The committee considered increasing general fund money for weatherization versus taking on a comprehensive, preventive strategy. Spending money for weatherization would return money to the state, as utility customers would owe less for heating and have funds to spend elsewhere. The fact that the baby boomers are still not reflected in the numbers of senior citizens causes a bit more urgency for a permanent solution to the weatherization problem, according to Senator Lopez.

Sayuri Yamada, PNM, was in the audience, though PNM had expressed an interest in participating on a separate agenda. She said the utility company is proud of its work with low-income advocates and has been involved in community action plans for a LIHEAP workshop at the PRC.

Representative Garcia opined that the only way to make headway in the LIHEAP discussion is for the legislature to call itself into extraordinary session to hash out the fundamental differences in approach. He suggested that advocates sell the leadership on the need for an extraordinary session and that the committee share with leadership in November the need to bring all parties to the table and move reforms forward.

Thursday, August 2

Representative Vaughn welcomed the committee to Alamogordo when it reconvened at 9:20 a.m. She announced that the New Mexico Space Museum planned a VIP tour at 1:30 p.m. with a showing at 3:00 p.m. of an IMAC show. The government relations departments of the Alamogordo Chamber of Commerce, New Mexico Space Museum, University of New Mexico Literacy Project, NMSU-Alamogordo, the Otero Community Literacy Council and adult basic education have been involved in making the meeting special and providing lunch and refreshments for the committee.

Integrated Approaches to Workforce Training

Jimmie Shearer, chair of the Eastern Area Workforce Board, thanked the committee for appropriating money for a model one-stop shop for TANF and other workforce clients, noting that the agencies will save \$30,000 per year in overhead expenses by pooling and cross-training the 27 staff members from several agencies in one building. The board serves 12,000 square miles and hopes to open one-stop shops in Roswell, Alamogordo, Hobbs and Tucumcari, as well as a mobile one-stop shop to travel to smaller communities.

Lee Tillman, administrator for the Eastern Workforce Development Board, emphasized how difficult it is for clients with even one barrier to work. Transportation and child care remain the most significant obstacles. The board is doing outreach to college providers. He said that transportation services are passable where there is Department of Transportation money, but of 45 incorporated communities on the east side of the state, only five have an ongoing transportation program.

Ed Carr, executive director of the Otero County Economic Development Council, introduced the concept of the advanced business center, where private and public partners work together to incubate new jobs. In Alamogordo, the center will include the Alamogordo Chamber of Commerce, the Otero Economic Development Department, the one-stop shop, the Workforce Solutions Department and the NMSU Cooperative Extension Service, among others. Private industry can lease facilities to use the conference and training rooms, copiers, marquees and kitchens. The consolidation of efforts creates a synergy and decreases costs for all of the participants. Ultimately, educational institutions, workforce development programs, business assistance and business expansion programs will participate in one location with state, local and federal agencies.

Tom French, a local developer and construction company owner, spoke to say that there are not enough construction workers, in part because children have been taught that construction is not a respectable trade. Vocational and other trade training is essential, however, because new workers are needed to build the economic future of the area.

Cheri Jimeno said that the same problems experienced in Alamogordo persist nationwide: there is a need for technical training, yet governments have "gutted" vocational-technical programs. She emphasized that electrical, plumbing and auto mechanical skills cannot be outsourced, unlike other trades, because they are used locally. She asked for legislators' continued support.

Dwight Harp of the Small Business Development Center talked about the center and its mission to help clients make informed business decisions.

Lois Johnson, division director, Workforce Transition Services, Workforce Solutions Department, expressed approval for all the activities and spoke on behalf of the department to ensure legislators and the public that services are not being shuffled without ultimate purpose. Instead, she said, there is a new strategic focus to create "less talk and more action". The new department, formerly the Labor Department, wants services to be seamless across agencies. The one-stop shop concept, while good and productive, is not the only model. Instead, "service integration" is possible even for agencies that are not co-located. Staff needs to be cross-trained so that any staff member can help any kind of job seeker.

On questions from committee members, presenters said that potential employees who have drug problems can be referred for substance abuse treatment, but there are rarely any openings; that people still need face-to-face help, even though there are better web sites; that several sites have a "get up, suit up and show up" program to make applicants more presentable to potential employers; and that the number of "hits" on departmental web sites is not currently known, though that can be made available to legislators. Mr. Tillman opined that the state has ValuOptions for substance abuse treatment and behavioral health counseling, but the state needs a closer partnership with health care for the homeless. Right now, there are referrals to such health care, but they will be ineffective without proper follow-up.

Discussion followed on the problem that employees can undergo a good deal of training, only to discover that they are unsuited to the job for which they trained. That is why on-the-job training is more helpful. John Hemphill, Ruidoso Area Workforce Board, said that adult basic education is a key to success, and approximately 65% of those who begin also finish adult basic education programs. The same is not true for graduation equivalency programs.

Zia Therapy

Zia Therapy Services Chief Operating Officer Sherill Bodwell reviewed the complex of services offered by the nonprofit group in Alamogordo. Because transportation is a big problem for a service area of 1,500 to 2,000 square miles, Zia set up a transportation program that runs a loop that includes Holloman Air Force Base, Alamogordo and the Mescalero Apache Reservation. The majority of riders are low-income people. Public and TANF transportation services are provided together because of "6311" federal block grant funding, in which the federal government provides 80% and local government matches the remaining 20%. If the organization had the money to reach all the riders who want to use the service, Zia estimated two to three times the ridership. Legislators received the information on the transportation solution particularly enthusiastically and requested more information to be presented on a later agenda.

Adjournment

The committee adjourned at 12:45 p.m.

Revised: August 29, 2007

**TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE**

**September 6-7, 2007
State Capitol, Room 322
Santa Fe**

Thursday, September 6

Domestic Violence As a Barrier

- 10:00 a.m. **Domestic Violence**
—Dorian Dodson, Secretary, Children, Youth and Families Department
- 10:30 a.m. **Innovative Approaches to Domestic Violence Prevention**
—Sue Ludwig, R.N., Ph.D., Registered Psychologist, Director, Forensic Services
and Related Initiatives, Alberta Mental Health Board
- 12:00 noon **Working Lunch**
- 1:00 p.m. **The Changing Nature of Domestic Violence Services**
—Sharon Pino, Domestic Violence Czar
- 2:00 p.m. **Special Domestic Violence Services and Service Providers**
—Johnnie Trujillo, Executive Director, El Puente Domestic Violence Service
Provider
—Larry Tackman, Director, Crime Victims Reparation Commission
- 3:00 p.m. **New Coalitions for Domestic Violence**
—Agnes Maldonado, New Mexico Coalition Against Domestic Violence
—Gloria Champion, Executive Director, Shiprock Home for Women and
Children

Friday, September 7

Child Care As a Barrier

- 9:00 a.m. **Addressing Child Care Issues: A Pragmatic Approach to Investing in Child
Care**
—Rob Grunewald, Associate Economist, Federal Reserve Bank, Minneapolis
- 11:30 a.m. **At-Home Infant Care**
—Susan Loubet

12:00 noon **Lunch**

1:30 p.m. **State Approaches to Resolving Child Care Issues**
—Bill Dunbar, Deputy Secretary, Children, Youth and Families Department
—Dan Harris, Deputy Director, Children, Youth and Families Department

3:00 p.m. **Concerns of New Mexico Child Care Providers**
—Gerry Keyes and Marilyn Wagner, Roswell Providers
—Judy Rogers, Alamogordo Provider

**MINUTES
of the
FOURTH MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

**September 6-7, 2007
State Capitol
Santa Fe**

The second meeting of the Welfare Reform Oversight Committee was called to order by Vice Chair Luciano "Lucky" Varela on Thursday, September 6, 2007, at 10:10 a.m. in Room 322 of the State Capitol in Santa Fe. Handouts are in the meetings file.

Present

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Rep. Antonio Lujan
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Absent

Sen. Clinton D. Harden, Jr.
Sen. John Pinto

Advisory Members

Rep. Candy Spence Ezzell
Rep. Daniel R. Foley (9/7)
Rep. Edward C. Sandoval
Sen. John C. Ryan (9/7)

Sen. Ben D. Altamirano
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga
Rep. Steven P. Neville

Other Legislators

Rep. Ray Begaye
Rep. Nora Espinoza (9/6)
Sen. Dede Feldman (9/7)

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Jennie Lusk
Carrie McGovern

Guests

The guest list is in the meeting file.

Thursday, September 6

Domestic Violence — Program Overview

Children, Youth and Families Department (CYFD) Secretary Dorian Dodson reviewed the budget for domestic violence programs, noting that \$12.6 million is in the budget and not a penny reverted to the federal government for domestic violence programs, as was the committee's concern. The budget includes \$2.6 million of federal Temporary Assistance for Needy Families (TANF) dollars, and the process for identifying TANF clients will be simplified in 2008. Confidentiality problems arising from sharing names and social security numbers among departments have been addressed through creative work between the Human Services Department (HSD) and the CYFD, she said. Billing has been restructured and the CYFD is now working with a "roundtable" comprising law enforcement, district attorneys, providers and others in order to address problems encountered by victims of domestic violence. The department has placed a three-month moratorium on audits and is working on performance measures for 2009. The department is working with the governor's domestic violence advisor, Sharon Pino, with a goal of making the system the least bureaucratic it can be while it remains effective, efficient and interactive.

Legislators expressed lingering concerns about the CYFD's requirement for highly credentialed workers at domestic violence shelters in rural areas, more technical assistance for rural providers and ways of involving law enforcement in working with victims so that fewer cases are dismissed in court.

Innovative Approaches to Domestic Violence Prevention

Sue Ludwig, Ph.D. and R.N., a registered psychologist from the Alberta Mental Health Board, detailed an approach to domestic violence prevention that has proven effective in reducing recidivism among offenders. The province has teamed district attorneys, law enforcement, mental health providers, substance abuse treatment providers and judges in a roundtable and trained them in risk assessment and screening. The tools developed have established a standard by which such professionals can reliably design services for assessment, treatment, rehabilitation and follow-up services for perpetrators of family violence. The roundtable also established a systemic level of coordinated local response to family violence. The report of the roundtable is at 222.wcpfv2005.ca/resources/finding_solutions_together_report.pdf. The province also participated in the HomeFront Pilot, a national demonstration project focused on domestic violence, which led to establishment of local domestic violence courts. All in all, the province has seen recidivism reduced to 9.8% for those who completed treatment and 3.7% post-treatment compared to a recidivism rate of approximately 33% for those who did not complete the program as part of court-ordered consequences.

Dr. Ludwig also reviewed the Canadian Protection Against Family Violence Act (PAFVA), which uses three tools for protecting families: (1) an emergency protection order that allows police to remove the abusive family member from the home for a specified period of time (usually nine days); (2) a second protection order that can last up to one year and mandates treatment and reimbursement for financial losses; and (3) a warrant permitting entry authorizing police to enter a home if abuse is suspected following the original protection order.

Dr. Ludwig said that the assessment tool has been very useful because even medical professionals are not perfect in screening victims, as demonstrated by the statistic that 48% of domestic violence victims who were murdered had been seen in a medical setting within 48 hours of their demise. She also commented that mental health professionals and law enforcement had been reluctant to work together but found the day-to-day exchange of information and expertise constructive. Domestic violence offenders, even those with substance abuse problems, are not treated in residential facilities, but in community-based programs and participate in group therapy with as few as 15 participants shortly after the incident to 100 participants who are two years removed from the incident.

Committee discussion turned to the importance of substance abuse treatment in the prevention of domestic violence, with Dr. Ludwig noting that at least 60% of offenders had a substance abuse problem prior to the violence. Johnnie Trujillo, executive director of El Puente Domestic Violence Services, told the committee that there is currently no location where a domestic violence offender with a substance abuse problem can be taken right away for treatment because there are only four substance abuse treatment centers in the state, 23 shelters and some 10 additional locations for domestic violence victims.

Senator Lopez said she will appoint a subcommittee to develop an approach to submit for the 2008 legislature that would use mandated substance abuse treatment as a way to avoid incarceration for domestic violence offenders. Senator Lopez and Representative Vaughn were immediately appointed and Senator Lopez requested that others who are interested contact her directly.

The Changing Nature of Domestic Violence Services

Ms. Pino announced that Governor Richardson has established a Domestic Violence Commission comprising representatives from 19 agencies and coalitions, supported by administrative staff from the CYFD. The commission shall set priorities for recommended activities beginning in July 2008. The commission will not have been in operation long enough to participate in the January 2008 legislature.

Ms. Pino updated the committee on the existence of New Mexico's domestic violence courts, which have caused recidivism rates to drop from 70% to 40% or 45%, at least where the courts exist.

Committee members questioned how domestic violence can be effectively treated or prevented without the substance abuse treatment piece in place and linked with domestic violence courts. Representative Vaughn moved and Senator Lopez seconded that the governor be requested to appoint some legislators to the commission.

Domestic Violence Service Providers

Mr. Trujillo, a retired police officer and retired chief of police in Socorro and executive director of El Puente Domestic Violence Services, recommended that any new program should involve a collaboration of law enforcement and the courts with service providers. With El Puente, each offender is closely monitored each week for compliance with all court orders, including substance abuse treatment and paying child support. With his program, the recidivism

rate is similar to Canada's. However, the center has a problem getting services for substance abuse. The center now requests that the court order treatment in order to prioritize treatment, Mr. Trujillo said, since changing a domestic violence offender who is a methamphetamine addict or alcoholic is "spinning their wheels". Mr. Trujillo said domestic violence programs should last 52 weeks, aside from any other treatment, if results are expected. Money is needed, especially in rural areas, for domestic violence programs. He cautioned that such treatment cannot start on a reimbursement basis, but instead should be funded as a line item, and he estimated that the cost per offender in a program such as his own would be approximately \$3,000 per year, including facilitation, monitoring and assessment.

Larry Tackman of the Crime Victims Reparation Commission explained that the commission compensates victims of domestic violence and paid out \$1.9 million last year. The agency also administers the Victims of Crime Act (VOCA) grants and does training seminars for judges statewide. Although alcohol and drug abuse exacerbates the problem of violence, Mr. Tackman said, the core problem of anger must also be addressed to prevent domestic violence.

Domestic Violence Coalition Members

Agnes Maldonado, head of the New Mexico Coalition Against Domestic Violence, told the committee that domestic services statewide include children's counseling, group and individual counseling, legal services, training for first responders, safety planning, shelters and hotlines. Bullying, stalking and sexual assault prevention programs are also offered. For the next session, the coalition will request additional funding for prevention and training.

Gloria Champion, executive director for the Shiprock Home for Women and Children for the past 30 years, said that Native American domestic violence is "epidemic", noting that one in three Native American women will be raped in her lifetime. Generations ago, native culture did not tolerate violence against women, and the Shiprock shelter emphasizes native approaches to reduce recidivism.

Ms. Champion said that services offered by tribes are virtually nonexistent and that a woman will typically go back to the shelter 11 times before making a change. Some 85% of women return to life with the offender. The shelter has a foster grandparent program because grandparents are seen as trustworthy and are admired. Native American culture is so entirely different from mainstream culture that even filling out a form can be overwhelming for some clients, Ms. Champion said. However, where the tradition is one of "honoring" women in the household, the idea of giving up violence can fit into the self-definition of some offenders.

The meeting recessed at 3:32 p.m.

Friday, September 7

A Pragmatic Approach to Investing in Child Care

Rob Grunewald, associate economist with the Federal Reserve Bank, stressed the economic efficiency of investing in early child care, noting that child care is an area where business interests are served by economic investment. He reviewed four studies involving various populations of children in various types of early child care, including part- and full-time

care. The results were uniform: good child care has a lifelong impact that causes those who participate to achieve more, earn more, become healthier and refrain from crime. The return per dollar of investment of public dollars ranges from 16% to 18%, a number that compares very well to other types of investment. A home visiting program for at-risk mothers beginning in their pregnancies showed that the numbers of participating families on welfare, the number of child arrests and emergency room visits were reduced. The return on investment for the home visit program were from \$4.00 to \$7.00 per \$1.00.

The important lessons from the studies are: invest in quality, involve parents, start early in a child's life, reach the at-risk population, teach both cognitive and noncognitive skills (including social skills) and do programs in a reasonable scale so that results can be measured. Incentives to participate matter, among them, scholarships to put children in child care and bringing competition to the market.

Mr. Grunewald mentioned that many business leaders are becoming involved in investments for early child care, including the United Way, the Gates Foundation, the Partnership for America's Economic Success and the Minnesota Early Learning Foundation.

On questioning from committee members, Mr. Grunewald said he favors an approach targeted to low-income people because Oklahoma and West Virginia studies have indicated that disadvantaged children benefit even more than other children from early child education. Representative Varela said the state needs to invest at the beginning of life so that investments in early well-being will pay for themselves later and noted that doing so would not necessitate great budgetary increases. Instead, it would require a shifting of budgets and budget priorities. He proposes creating a global children's budget. Senator Lopez noted that the supreme court has requested a unified children's budget, too. Mr. Grunewald emphasized that center-based child care is not intended to replace parental involvement but, instead, to support it. He noted that home environments can and do change to become safer with early child care.

Mr. Grunewald recommended considering creation of a continuum of resources for young children and creating departments for children, as has occurred in Washington and Massachusetts.

At-Home Infant Care

Susan Loubet told the committee that at-home infant care has been a life-changing experience for many participants and their children, and she referred to clients who spoke at the committee's meeting in Las Cruces. The current budget for at-home infant care is \$90,000, one-half what it used to be. The program has opened a second pilot program in Bernalillo and will request a budget of \$360,000 for a full program in two locations.

Legislators expressed concerns about going "too far" with early childhood education so that parents no longer respect the need to earn a decent living to support their children.

State Approaches to Resolving Child Care Issues

Bill Dunbar, deputy secretary, and Dan Harris, deputy director, both of CYFD, opened their presentation by emphasizing that child care subsidies support families who are working. Child care subsidies help working families keep their jobs. As parents earn more, the co-payment for child care rises. Jack Callahan, director of the Family Services Program at CYFD, also attended and took part in the presentation. They said that in the fiscal year 2009 budget, the department will request an increase of approximately \$2.9 million to increase payments for those earning up to 200% of the federal poverty level (FPL). Of that amount, the department will propose that approximately \$408,000 be used for the Professional Training Program (TTAP) and \$100,000 be used for its TEACH Program. Eligibility for child care support has not needed adjustment due to the increase of the state minimum wage because a parent would have to earn approximately \$10.00 or \$11.00 per hour to jeopardize the child care subsidy; currently, a parent earns too much for a child care subsidy at making 165% FPL.

Mr. Harris reviewed the "carrot approach" for increasing the quality of child care centers — the "stars" incentive. Under the incentive program, child care providers are reimbursed at a higher rate for each new star they receive. Stars are for improved learning environments, better curricula and parent involvement, a better staff-pupil ratio and for national accreditation.

A thorough discussion ensued. On questions of committee members, Mr. Harris explained that although the numbers of registered homes have declined, the total number of children in daycare has not declined overall. The decline was attributed to new requirements that all registered homes now permit inspections at least four times a year and that all registered daycare providers submit to a criminal background check. Mr. Harris said he would provide the committee a matrix showing reimbursement rates for providers, which vary with the age of the children, whether the provider is in a rural or metropolitan area and whether full- or part-time care is provided, as well as on the number of stars the provider has earned. The department will not be seeking an increase in fiscal year 2009, since it got a \$2 million increase in the current budget. The department agreed to study and respond to the committee's concerns about reimbursements in rural versus urban areas, although the rural rate is currently 95% of the metropolitan rate. The legislators also requested that the department reconsider the small 10% to 15% differential paid to providers offering nontraditional hours rather than a differential that reflects competition for overtime or other benefits. They raised the issue of strategies to provide child care workers health insurance benefits that would not violate the state's anti-donation clause; the problem of licensing of zoning for home-based centers; and the possibilities of requiring all registered centers to include a learning component.

Child Care Providers

Gerry Keyes and Marilyn Wagner, both of the Roswell "Generations of Learning" Child Care Center, noted that their facility is the oldest preschool in the state and that it emphasizes early learning, not babysitting. The licensed child care center has a problem in reimbursement because of the mix of children it serves: tuition must remain the same for all students, even though the center receives subsidies for feeding children free or reduced-fee lunches and no subsidies for children who could afford to pay for their own lunches. They affirmed that the

"stars" program is an incentive for more training because centers are willing to get training in order to earn a higher base payment from the state.

Rosa Barrazzo from Children's World in Alamogordo is a four-star provider working on her accreditation. She thanked the CYFD for providing staff training, but noted that as staff improves, they leave for higher salaries. Military service members Tonia Hawks and Evelyn Kaslo expressed their appreciation for the center.

Senator Beffort asked the CYFD staff about the possibility of eliminating the problematic "cliff effect" by which parents lose the entirety of a child support subsidy by going even \$1.00 over established income limits, through administrative changes rather than by statute. Mr. Harris described the difficulties of stepping down rates because the matrix of provider reimbursement is already so complex, but agreed to look into the possibilities of doing so or providing an incentive for higher earnings without a loss of subsidy. Ruth Hoffman, executive director of the Lutheran Office of Governmental Ministry, noted that other states allow parents to stay on the system for six months or a year after beginning to earn above the threshold.

Adjournment

The committee adjourned at 3:20 p.m.

Revised: October 4, 2007

**TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE**

**October 9-10, 2007
State Capitol, Room 322
Santa Fe**

Tuesday, October 9

- 10:00 a.m. **Solutions to Transportation Problems as a Barrier to Work**
 —Joe Hardin, Transportation Director, Zia Therapy, Alamogordo
- 11:00 a.m. **Drug Testing Public Assistance Recipients and Felony Drug Offense Registry**
 —Rob Coffman, Sheriff of Lovington, New Mexico
- 12:00 noon **Lunch**
- 1:30 p.m. **Outreach for Public Assistance: House Joint Memorial 18**
 —Gail Evans, Legal Director, New Mexico Center on Law and Poverty
- 2:30 p.m. **Individual Development Accounts**
 —Ona Porter, Community Action Agency
 —Sally Moore, President of the Board, Community Action Agency
 —Sharon Henderson, Asset Consortium Director, Community Action Agency
- 3:30 p.m. **Housing First Approach to Address Homelessness**
 —Hank Hughes, Executive Director, New Mexico Coalition to End Homelessness

Wednesday, October 10

- 9:00 a.m. **Substance Abuse Grants and Programs: Services Available, Eligibility and Access, Distribution of ValuOptions Providers**
 —Jim Clarkson, Director, Substance Abuse Services, ValuOptions
- 10:30 a.m. **Child Support Issues Update**
 —Charissa Saavedra, Director of Child Support Enforcement Division, Human Services Department
- 12:00 noon **Adjourn**

**MINUTES
of the
FIFTH MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

**October 9-10, 2007
Room 322, State Capitol
Santa Fe**

The fifth meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Senator Linda M. Lopez, chair, on Tuesday, October 9, at 10:25 a.m. in Room 322 of the State Capitol in Santa Fe. Handouts are in the meeting file.

Present

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Sen. Gerald Ortiz y Pino
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn

Absent

Rep. Antonio Lujan
Sen. John Pinto

Advisory Members

Sen. Ben D. Altamirano (10/10)
Rep. Candy Spence Ezzell
Rep. Miguel P. Garcia
Rep. Larry A. Larrañaga
Rep. Edward C. Sandoval

Rep. Daniel R. Foley
Rep. Steven P. Neville
Sen. John C. Ryan

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Jennie Lusk
Carrie McGovern

Guests

The guest list is in the meeting file.

Tuesday, October 9

Minutes

Minutes of the previous two meetings were unanimously approved without amendment on motion of Representative Varela and seconded by Representative Vaughn.

Domestic Violence Update

The chair noted that the first scheduled presenter was unable to attend as his wife was hospitalized. However, because of a matter of some urgency, the chair used this time for a discussion of domestic violence and sexual assault offender treatment and other concerns with delivery of domestic violence and sexual assault prevention services.

Senator Lopez announced that the former executive director of the Coalition Against Domestic Violence had been summarily fired the previous weekend and shared with committee members an email indicating that service providers who remained with the coalition risked their continued funding. She expressed dismay and anger that providers would think legislators were exerting pressure on providers to leave the coalition and expressed concern that board members of the Coalition Against Domestic Violence would feel threatened.

She also expressed concern over the appointment of yet another "czar" or "czarina" not directly accountable to the legislature and the appointment of a "task force" that already has become a "commission" against domestic violence. A member of the commission authored the email that the chair shared with committee members.

Representative Varela noted that domestic violence has been one of the first lady's most important priorities and remarked that it is a shame for the organization of domestic violence services to become political. Senator Beffort talked about bipartisan support for domestic violence programs in local communities. After some discussion, the committee requested that Sharon Pino, domestic violence czar, and Children, Youth and Families Department (CYFD) Secretary Dorian Dodson be asked to appear before the committee as soon as possible. The committee understands that a confidentiality issue between departmental auditors and local providers had been resolved. It noted that domestic violence problems are a huge barrier to getting and keeping a job. Representative Varela said he wants Secretary Dodson to appear before the committee to answer questions about the firing and related issues with coalition members and also to discuss the cash carryover of Temporary Assistance to Needy Families (TANF) funds. He would like to see the whole TANF budget for the current year and the next year.

Planning for Future WROC Meetings

The committee expressed interest in hearing about health coverage reform at its final meeting and would like to hear from Human Services Department (HSD) Secretary Pamela Hyde and Governor Richardson's health policy advisor, Michelle Welby, about priorities.

In further discussion of the domestic violence issue, members requested some detail about TANF funds redirected to local providers, about shelters being operated by Native American providers and about TANF contributions to domestic violence shelters. Members indicated that the November meeting should include information on whether TANF funds have been redirected

to local shelters. Discussion ensued about limits on the committee's ability to earmark certain line items in the HB2 budget for services.

The committee also discussed the duties and authorities of the domestic violence czar, asking whether a statutory change is necessary to hold czars accountable to bodies outside the executive branch. The legislators also were curious about where budgets managed by a czar appear and whether or how the legislature exercises oversight over such offices and their budgets.

Drug Testing Public Assistance Recipients and Felony Drug Offense Registry

Lea County Sheriff Rod Coffman introduced a proposal to require random drug testing of public benefit recipients. The sheriff said he would leave it to a legislative sponsor whether to make testing inclusive for marijuana only or for methamphetamine or other drugs, the presence of which would be available through random drug screens. He also said that the consequences of a positive screening could be left to the sponsor. Representative Garcia noted that if a positive screen leads to loss of public benefits, the state should be prepared to rehabilitate the person or propose some alternative and noted that 64% of TANF participants are children.

Senator Beffort asked that the staff find out whether federal regulations allow for random drug screening for benefits and said that the pool of persons subject to random drug screening would rightly be expanded to include all public employees if public benefits recipients are screened. Senator Lopez said that allowing tax-supported persons to be screened would lead to testing being required for those with SSI benefits and contractors for government jobs. She also questioned whether testing should include alcohol and tobacco.

Sheriff Coffman said he thinks the results would show that half of the drug usage involves illegal drugs, but another half could be traced to illegal use of legal drugs. Senator Lopez asked for hard data demonstrating whether the problem is regional, statewide or national so that the committee can consider whether to endorse such a plan. Committee members discussed the need for better-funded substance abuse treatment and talked about the lengthy wait for treatment. Senator Beffort suggested an audit of the state prison population to see how many inmates have been convicted for drug crimes, i.e., for drug crimes alone and not in conjunction with a secondary crime such as robbery.

Outreach for Public Assistance; House Joint Memorial 18

Gail Evans, attorney at the New Mexico Center on Law and Poverty, said that little additional legislation would be required if the HSD would track and report the items mentioned in House Joint Memorial 18, which was sponsored by Representative Varela. The memorial called for the department to conduct additional outreach regarding Medicaid eligibility; to simplify the application and eligibility process; to give a receipt for paperwork turned in by clients; to translate forms into Spanish as well as English; to minimize client wait time; and to maximize cross eligibility for welfare and other programs. She noted that the center and the department have begun to work together to make some changes toward implementation of the memorial. Katie Falls, deputy secretary, HSD, agreed with elements of the memorial, noting that the department recognizes that the number of uninsured persons remains a problem in New Mexico and that outreach needs to be improved. Representative Varela asked Ms. Falls whether

the department requested more caseworkers, to which Ms. Falls responded that it had and is also proposing to reclassify caseworkers to help them earn higher wages.

Appearance by Secretary Dodson, CYFD, and Sharon Pino, Domestic Violence Czar

Secretary Dodson and Ms. Pino appeared before the committee within hours of being requested to appear to answer the committee's questions about funding and organizational responsibility. Senator Lopez expressed her concern that some persons may be under the mistaken impression that the legislature is threatening to cut funding for members of the Coalition Against Domestic Violence and expressed her view that the newly created Domestic Violence Commission does not have credibility when it comes to the legislature. She questioned the state's commitment to resolving domestic violence issues. She and Representative Varela requested written responses to the committee's concerns.

Individual Development Accounts

Sally Moore, Ona Porter and Sharon Henderson discussed the importance of individual development accounts (IDA) in helping low-income clients attain a level of financial security that allows them to make long-term purchases and to invest in themselves and their futures. Ms. Porter noted that the IDA program is effective in changing people's lives.

Through the IDA program, various funders match the savings of low-income clients while the clients save money for the purchase of a first home, a small business, higher education or transportation. Of the current clients with IDAs, 204 are women who are heads of households and 19 are men. Senator Beffort expressed her concern that the IDA presenters did not make it clear enough to legislators in the last session that the IDA program is not a giveaway, but a match.

Ingrid Mitchell, a single parent with a 12-year-old son, testified about her experiences with the IDA. She started in June 2006 and has saved \$900. She is now a community college graduate and will attend the University of New Mexico to major in Native American studies. She has now gotten her son and her sister into the IDA program.

Other presenters included Mario Prieto of the Community Action Agency of Southern New Mexico and Deanna Everingham, who works on social enterprise. Jessica Meyer from the Women's Economic Self-Sufficiency Team (WESST) Corporation described the corporation's IDA caseload, which has included 122 participants, 60 of whom finished the program already. WESST serves Bernalillo, Sandoval, Valencia and Dona Ana counties. There are 400 persons on the waiting list. Ruth Hoffman, executive director of the Lutheran Office of Governmental Ministry (LOGM), gave public comment on the importance and integrity of the projects.

The meeting recessed at 4:55 p.m.

Wednesday, October 10

The meeting was reconvened at 9:24 a.m. by Representative Varela.

ValuOptions Substance Abuse Programs Related to Domestic Violence

Jim Clarkson, substance abuse director for ValuOptions, and Bill Belzner, deputy director of the Behavioral Health Collaborative, gave a presentation to the committee related to its questions from the previous month, when a Canadian presenter described the importance of substance abuse programs for domestic violence offenders. They said they are aiming to strengthen the capacity of behavioral health programs. Committee members asked where their salaries were budgeted and to whom they are accountable. Mr. Belzner said his salary comes from the Aging and Long-Term Services Department, but that he is "detailed" to the Behavioral Health Collaborative. The committee members also asked about the organizational structure of the collaborative and ValuOptions and expressed their concerns that salaries and responsibilities are not clearly outlined within HB2 for those services, therefore leaving little accountability.

ValuOptions, according to Mr. Clarkson, has 159 employees who are not employees of the state. His single function is to keep ValuOptions accessible to priority areas. In addition, he estimated that there are 75 to 80 state employees involved directly with the ValuOptions programs. Senator Ortiz y Pino expressed his concerns about the state's lack of innovation in alcohol treatment and training. Senator Beffort asked about detoxification programs, and Mr. Clarkson replied that he did not know where such programs are in New Mexico. She also expressed concern about a lack of detoxification programs and the possibility that a person would be shifted to uncompensated care because of an improper assumption.

Child Support Enforcement Programs

Charissa Saavedra, director, Child Support Enforcement Division, HSD, reported that the division has collected \$95.3 million in back child support. All TANF cases are automatically referred to the division. On questions from the committee, Ms. Saavedra said that she will be asking for more trainers for the program and hopes to start a stand-alone office in Hobbs. The caseload of most offices is 700, though 300 or 400 is reasonable.

She discussed with legislators the particulars of her program, which are contained in the handout she circulated. Representative Garcia questioned the wisdom of suspending the driver's licenses of parents in arrears because having no license can make it more difficult to work.

Homelessness Initiatives

Hank Hughes, executive director of the New Mexico Coalition Against Homelessness, presented the priorities of the coalition. He talked about the special importance of housing to young people, who can perform better in school if they are able to stay the whole year in a single home. The coalition advocates establishment of a trust fund for housing in the amount of \$12 million. Representative Varela encouraged Mr. Hughes to go to the New Mexico Mortgage Finance Authority (MFA) with its proposal before the next legislative session. Representative Trujillo said that few legislators are well-educated on homelessness problems or recognize how many children are homeless, urging his peers to create a revenue stream to help avoid homelessness. Mr. Hughes said that the MFA emphasizes home ownership, while many

homeless persons need only a place to rent or stay in, rather than to purchase. He said there is a need for rental homes. Senator Beffort asked for an inventory of what types of housing are available statewide.

Adjournment

The committee adjourned at 12:55 p.m.

Revised: November 21, 2007

**TENTATIVE AGENDA
for the
WELFARE REFORM OVERSIGHT COMMITTEE**

**November 26-28
State Capitol, Room 322
Santa Fe**

Monday, November 26

- 10:00 a.m. **Community College Programs for Students on Public Assistance**
—Speaker TBA, Central New Mexico Community College
- 12:00 noon **Working Lunch: Presentations of the Human Services Department**
—Katie Falls, Deputy Director, Human Services Department, and Other Pertinent Staff
—LIHEAP
—Medicaid Enrollment Pilot Project
—Insure NM Outreach Team
—Performance Measures
- 4:00 p.m. **ValueOptions Structure, Follow-Up on Mailing**
—Bill Belzner, Deputy Chief Executive Officer, Behavioral Health Collaborative
—Katie Falls, Co-Chair, Behavioral Health Collaborative
- 4:30 p.m. **ValueOptions Substance Abuse Services, Including Domestic Violence-Oriented Treatment**
—Speaker TBA

Tuesday, November 27

- 9:00 a.m. **Restrictions on Driver's Licenses for Child Support Arrearages**
—Ken Ortiz, Director, Motor Vehicle Division, Taxation and Revenue Department
—Connie Torres, Driver's License Manager
- 10:00 a.m. **Medicaid Recertification and Its Impact on Working Families**
—Gail Evans, Legal Director, New Mexico Center on Law and Poverty
—Kim Posich, Executive Director, New Mexico Center on Law and Poverty
- 12:00 noon **Working Lunch**
- 12:30 p.m. **Workforce Solutions Department Updates**
—Betty Sparrow-Doris, Secretary, Workforce Solutions Department

—Ray Gonzales, Deputy Secretary, Workforce Solutions Department

1:30 p.m. **Children, Youth and Families Department Performance Standards**

—Dorian Dodson, Secretary of Children, Youth and Families

3:00 p.m. **Higher Education Department Performance Standards Related to Welfare Reform (Adult Basic Education and General Education)**

—Reed Dasenbrock, Secretary of Higher Education

Wednesday, November 28

9:00 a.m. **Discussion and Endorsements**

—Appropriation, ABE and GED Funding

—Memorial Implementing Housing First

—Behavioral Health Collaborative Revisions

—Simplification of Medicaid Enrollment

12:00 noon **Adjourn**

**MINUTES
of the
SIXTH MEETING IN 2007
of the
WELFARE REFORM OVERSIGHT COMMITTEE**

**November 26-28, 2007
Room 322, State Capitol**

The sixth meeting of the Welfare Reform Oversight Committee (WROC) was called to order by Representative Luciano "Lucky" Varela, vice chair, on Monday, November 26, 2007, at 10:25 a.m. in Room 322 of the State Capitol in Santa Fe. Handouts are in the meeting file.

Present

Sen. Linda M. Lopez, Chair
Rep. Luciano "Lucky" Varela, Vice Chair
Sen. Sue Wilson Beffort
Sen. Dianna J. Duran
Sen. Clinton D. Harden, Jr.
Sen. Gerald Ortiz y Pino (11/27, 11/28)
Sen. John Pinto
Rep. Nick L. Salazar
Rep. Jim R. Trujillo
Rep. Shirley A. Tyler
Rep. Gloria C. Vaughn (11/27, 11/28)

Absent

Rep. Antonio Lujan

Advisory Members

Rep. Candy Spence Ezzell (11/26)
Rep. Miguel P. Garcia (11/26, 11/27)
Rep. Larry A. Larrañaga (11/26, 11/27)
Rep. Edward C. Sandoval (11/26, 11/27)

Sen. Ben D. Altamirano
Rep. Daniel R. Foley
Rep. Steven P. Neville
Sen. John C. Ryan

Other Legislators

Speaker of the House Ben Lujan (11/27)

(Attendance dates are noted for those members not present for the entire meeting.)

Staff

Jennie Lusk
Carrie McGovern

Guests

The guest list is in the meeting file.

Monday, November 26

Changes in the Agenda for the November WROC Meeting

The health coverage reform briefing the committee requested as a November agenda item was scheduled but then postponed, because legislators will be able to attend a briefing on December 17, 2007. The domestic violence questions posed by the committee to the Children, Youth and Families Department (CYFD) were answered via mail. The department's response is in the meeting file.

Central New Mexico Community College (CNM)

Achievement coaches Ana Lynn Hall and Kim Jeffries briefed the committee on CNM's degree programs, short courses, certificates and distance learning opportunities, noting that the institution is the second largest post-secondary school in the state, with 160 programs offered to 28,000 students. Some 70% of CNM students attend part-time, the majority are women and of minority affiliation and the average age is 29 years old. The college offers emergency scholarships, including help with food, shelter and even car repairs if need be. The college reports a 98% job placement rate for its graduates.

Special foundation-funded programs exist for financial literacy and reading for construction trades. Through the Annie E. Casey-funded Center for Work and Families at CNM, students can receive financial education, receiving a four-to-one match for participation in individual development account savings plans. According to the presenters, financial problems are the primary reason that students have difficulty at school, as 50% have acknowledged they are unable to pay a debt and are unable to meet their monthly bills. The school also offers the "breaking through" program sponsored by the Moss Foundation, for those interested in construction skills who have achieved only a fourth- to eighth-grade reading level.

Legislators made several significant suggestions — among them that the college "bundle" its programs to appeal to employers by offering tax credits with training programs; that the school work closely with the new Workforce Solutions Department (WSD) and that CNM coordinate closely with the University of New Mexico health care clinics for provision of health care rather than encouraging uninsured students to seek emergency room care.

Human Services Department Review

Katie Falls, deputy secretary of the Human Services Department (HSD), organized presenters and presentations on a number of topics related to the department's 2007 achievements, its budget for fiscal year 2009 and its efforts to address legislative concerns raised in recent years.

She and Cathy Sisneros, bureau chief, Work and Family Support Bureau, HSD, discussed the HSD's plans for the Low Income Home Energy Assistance Program (LIHEAP), which received a \$6 million appropriation in the last fiscal year. During the current heating year, the department has expedited application processes so that those whose applications are complete can waive the remainder of the interviews that used to be required. The department has focused its efforts on rural outreach, in part to reflect

the priorities expressed by the WROC last year. It has taken the \$6 million appropriation from state general funds to make \$300 payments for propane that, when matched with a \$134 average payment, will be adequate to get delivery of a tank of propane for the state's rural customers. People who live in cities and do not need propane will get only the federal LIHEAP funds to offset heating costs.

The department has requested no state funds for LIHEAP in fiscal year 2009, reflecting the governor's priorities of addressing health care for the uninsured and a substantial Medicaid request in the coming session. Committee members expressed puzzlement over the lack of a request for state funds for LIHEAP, especially because the legislature had a special session two years ago devoted entirely to finding ways to help New Mexico's poor fund their utilities.

Ms. Falls reviewed the department's Medicaid Enrollment Pilot Project, which has increased both the numbers of those able to stay enrolled and those enrolling for the first time. Ms. Falls cautioned the committee about concerns with a Medicaid enrollment simplification draft bill endorsed by the Legislative Health and Human Services Committee (LHHS) at its final interim meeting, noting that a hefty appropriation would be required to implement such a change in procedures for disenrolling clients.

Members of the department's Medicaid outreach team, Kathy Slater-Huff, Laura Montoya, Andre Jackson and Melissa Goodman, were introduced by Bob Beardsley, deputy director of the Medicaid Assistance Division of the HSD. The team has traveled to 26 of 33 counties for outreach and enrollment events, averaging 183.5 persons per month in enrollments. Ms. Falls, on questions by committee members, said that the department intends to enroll 57,000 more children in the coming year.

Ms. Falls covered the department's plan to increase cash assistance payments by 15% because Temporary Assistance for Needy Families (TANF) program rolls are decreasing and there is an estimated \$47 million in carryforward funds available for cash assistance, support and administrative services. Ms. Falls noted that the department has started two new programs that will affect the bottom line: employment programs that will provide state funding for persons no longer eligible for federal assistance because of their inability to meet work guidelines and an income disregard of \$200 rather than only \$100 for working families. The department's current budget does not request more funds for these additional programs. Committee members discussed other priorities for use of the funds, suggesting that the funding go to increases for LIHEAP, adult basic education, teen pregnancy and domestic violence programs. They asked Ms. Falls to provide estimates for costs of such programs.

Finally, Ms. Falls talked about TANF children in the care of grandparents. In September, there were 13,784 cases, 5,104 of them "child-only". Of the 5,104 cases, 1,118 involved children living with grandparents, for a total of 1,927 grandchildren. There are 52 instances where a grandparent is the head of the household and another

couple of hundred where a parent is a minor raising a child in the grandparent's home. If a grandparent is the legal guardian of a child, the grandparent's income counts toward determining eligibility. When Senator Lopez expressed concerns that foster grandparents can receive state funds for rearing a child, yet lose them if they become legal guardians, Ms. Falls said the primary complaint seems to be the access to subsidized child care rather than cash assistance. Dan Harris, deputy director of early care for the CYFD, said his department shares Senator Lopez's concerns and had responded by exempting grandparents from copayments for child care.

ValueOptions

Ms. Falls joined Bill Belzner, deputy chief executive officer of the state's Behavioral Health Collaborative (BHC), to discuss both the structure of the service delivery for behavioral health and specific substance abuse services, noting that the WROC's concerns about monitoring the state's \$400 million contract with ValueOptions were well-taken. ValueOptions' lack of responsiveness, especially in responding to timely payment of claims, has been a problem as has the company's management of federal grants. The department has delegated oversight to Mr. Belzner and Linda Roebuck, CEO of ValueOptions. They found that ValueOptions had been found not to be in compliance with the payment of claims, but it is now paying daily instead of weekly and is also paying electronically. Monitoring will continue until the company is compliant. Mr. Belzner also acknowledged that there had been miscommunication among the company, providers and the department; he offered to provide a list of providers to committee members.

Charles Sallee, Legislative Finance Committee (LFC) performance evaluator who reported last year on the behavioral health services system in New Mexico, said that revisions to the structure of the behavioral health collaborative had been recommended. Last year, the legislature passed and the governor vetoed a bill that would have established a consolidated budget, rulemaking authority and a system of reporting to LFC for the BHC.

Ms. Falls agreed to provide the following information for the committee:

- the mechanism used for drawing down federal dollars;
- a report on interest paid to providers from day one of the ValueOptions contract;
- a report on the total number of persons served both prior to and within the contract with ValueOptions;
- a list of the 19 providers that closed over the past two years;
- a community-identified list of rate increases;
- a rate equalization plan; and
- information on the state's ability to provide information systems data.

The committee recessed at 5:10 p.m.

Tuesday, November 27

Vice Chair Varela reconvened the meeting at 9:20 a.m.

Restrictions on Driver's Licenses for Child Support Arrears

Ken Ortiz, director of the Motor Vehicle Division of the Taxation and Revenue Department, reviewed with the committee the statutory authority to suspend a driver's license for a person who is not in compliance with a child support order. Charissa Saavedra, director of the Child Support Enforcement Division of the HSD, discussed the opportunities a noncustodial parent has for forgiveness of arrearages. She agreed to provide a copy of the yearly report of the Child Support Enforcement Division and noted that since 1995, the department has collected \$15.8 million through various types of license suspensions and an average of \$133,580 per month in lump-sum payments.

Medicaid Recertification and Its Impact on Working Families

Gail Evans, legal director, and Kim Posich, executive director, New Mexico Center on Law and Poverty, returned to persuade the committee that the HSD's policy of closing cases without an individualized review, or "autoclosure", affects the poorest of New Mexicans. Of the state's estimated 400,000 uninsured persons, they estimate that one-half are families eligible for Medicaid but not enrolled. The two asserted that during the past summer, fewer children were enrolled in Medicaid than when the governor took office. While the center approves of the current pilot enrollment project detailed by Ms. Falls on the first day of the WROC meeting, it continues to advocate statutory changes requiring an in-person review in order to minimize the impact on children who are otherwise eligible, especially because some children could be disenrolled by error. While the representatives acknowledged that a court has held that autoclosure is legal, they maintain that it is not necessary or right and argue that federal statute does not require automatic closure of cases.

Representative Varela said that the HSD needs more caseworkers, as the LFC still sees reports of 10% to 15% vacancy rates. However, if the department's priority is not to hire more people, a larger appropriation alone will not solve the problem.

Workforce Solutions Department

Betty Sparrow-Doris, secretary, WSD, and Raymond Gonzales, deputy secretary, WSD, reviewed the new department's accomplishments since it came into being over the summer. Among the major points, the secretary noted that through computer linkages, the department can now list 27,000 jobs rather than 1,200 to 1,500 per month. There are three fully integrated job placement centers in Albuquerque, Portales and Las Cruces. The secretary is trying to align the department's goals with those of the Higher Education Department (HED) and to build better systemic ways to address problems of finding good employees for business and finding good jobs for would-be employees.

The discussion focused on changes to the local workforce boards, the lack of integration or articulation between community colleges and the WSD and the need for

the department to ensure that businesses are aware of tax credits and programs available for putting people to work. Especially with anticipated layoffs at Los Alamos, the state will need to be prepared with good communication between employers and employees. The department is also in the process of awarding funds for creation of individual development accounts (see the department's web site at <http://www.workinnewmexico.gov/dws-FOA.html>). The department is requesting a \$250,000 recurring appropriation for the accounts.

Children, Youth and Families Department

Secretary of Children, Youth and Families Dorian Dodson reported on several items of interest to the committee, noting that child abuse and neglect will be expected to rise with layoffs. Because the department has met many of its goals, it is beginning to change performance standards, but only gradually, so legislators should continue to be able to track changes across budget years.

Among the department's goals this year are improving the number of quality daycare centers, recruiting more foster parents and increasing eligibility for child care from 165% to 200% of the federal poverty level. The department's base expansion is 4.7% or approximately \$9 million in new money. The secretary noted that the vacancy rate is 6.5% and retention of staff remains a problem.

Asked about a recent American Civil Liberties Union (ACLU) lawsuit against the department, the secretary said that provisions of the settlement signed February 15, 2006 have been fulfilled, and the department maintains it is in compliance with the settlement.

The secretary talked about the Pegasus Program to support grandparents as parents and said she has a request for expansion of the program.

Higher Education Department Report

Secretary of Higher Education Reed Dasenbrock, Pam Etre-Perez, adult basic education director, and Brandon Trujillo from the HED reported that the HED's budget request would include a \$4 million expansion for adult basic education. Last year, the department served 20,043 students at 28 sites, 85% of them minority students and 60% of them over 25 years old. Of these, only 10% had ninth to twelfth grade skills. The department is serving only 5% of the eligible population; it spends \$504 per student as opposed to approximately \$7,000 per student in public education.

This year, the department's "get ready" plan will cause a shift in emphasis: the design of adult basic education services will be to enhance services for a smaller number of students. The department plans to fund 10 established sites at \$350,000 each, allowing each site to give a comprehensive education for students through award of a general education diploma (GED).

Noting that New Mexico has the nation's highest percentage of persons raised in homes where the first language is not English, the secretary talked about opportunities to work within high schools for dual enrollment, and said agreements are almost in place to get such opportunities throughout the state. Ms. Etre-Perez reported that TANF students are still enrolled in GED programs, and that many of the students are TANF-eligible. The committee recessed at 4:40 p.m.

Wednesday, November 28

Senator Lopez reconvened the committee at 10:20 a.m.

Report from HSD on Items Requested by the Committee

Ms. Falls returned to follow up with the committee on potential ways to move funds available because of reduced TANF caseloads. She cautioned the committee members against spending carryforward money and reminded them that doing so several years ago had caused deep cuts in subsequent years. She also said that the department would prefer to have some money available in case it erred in budgeting for state takeover of clients no longer able to meet federal work requirements. Senator Lopez noted that Ms. Falls had reported that there is an excess of 15% that the department is budgeting for expending on its own agenda and suggested that the department request the 15% increase, but that the committee should also endorse specific, nonrecurring appropriations for teen pregnancy, adult basic education and LIHEAP programs, among others. Representative Trujillo agreed with Senator Lopez, but added that homelessness is also an issue requiring extra funding during the coming session. Senator Ortiz y Pino suggested that the appropriation include expansion of the current Bernalillo County Metropolitan Court Homelessness Prevention Program statewide.

Ruth Hoffman, executive director of the Lutheran Office of Governmental Ministry (LOGM), expressed concern that the requested funding would not be adequate to keep people on TANF who no longer satisfy federal requirements.

By consensus, the committee agreed to make one-time appropriations in addition to the HSD budget for homelessness, domestic violence, teen pregnancy and adult basic education and to devote state general fund dollars to LIHEAP and the Education Works Program.

Endorsements

The committee made the following endorsements:

- an expansion request for adult basic education, GED and English as a second language (ESL) programs in the amount of \$4 million, sponsored by Representatives Salazar and Vaughn;
- a memorial implementing a housing first approach for homelessness prevention and relief, sponsored by Senator Ortiz y Pino and Representative

- Vaughn as well as a bill to reorganize delivery of homelessness services statewide, sponsored by Senator Ortiz y Pino;
- an appropriation for tribal TANF programs, including \$1 million to the Navajo Nation and \$500,000 for the Pueblo of Zuni, sponsored by Senator Pinto;
 - subsidizing hunting and fishing licenses for persons who receive public assistance, sponsored by Representative Garcia;
 - a \$500,000 general fund appropriation to the teen pregnancy coalition, sponsored by Senator Lopez and Representative Vaughn;
 - a \$500,000 appropriation for the Education Works Program, sponsored by Senator Lopez;
 - a \$10 million appropriation for LIHEAP, sponsored by Representative Sandoval; and
 - a bill revising the BHC's statutory authority and requiring it to promulgate rules and submit, through HSD, a unitary budget.

The HSD agreed to work with the LFC to shift federal dollars to identify more funding for a study of TANF enrollment and welfare reform results in the previous decade for the committee's use in its final year; to identify additional means of funding homelessness, domestic violence, teen pregnancy prevention, adult basic education, GED and ESL programs. The committee endorsed a separate general fund appropriation for the Education Works Program at \$500,000.

Ms. Falls agreed to send committee members an update on supplemental payments for food items for the elderly, food commodities and food stamps. Representative Varela again requested a consolidated plan to address homelessness on a statewide level.

Senator Lopez introduced her idea of requiring the creation of a domestic violence and sexual assault prevention coordinator position in statute, assuring that someone would be available to coordinate information among agencies, the Governor's Office and legislators, but withdrew it from consideration as an endorsement item because more discussion on available programs may make such a position unnecessary.

In a discussion with Ms. Falls, Senator Lopez suggested following the current sanctions process for persons who have received notice but have not been responsive under the New Mexico Works Act to craft a similar piece of legislation simplifying the Medicaid process for eliminating those no longer eligible from its rolls. Ms. Falls asserted that the pilot program and a redesign of the system should make any statutory changes unnecessary, but agreed to work with Legislative Council Service staff, LFC staff and New Mexico Center on Law and Poverty staff to craft a bill accomplishing the committee's desired end of simplifying the HSD processes for enrollment and recertification. That bill will be circulated to committee members for endorsement.

Ms. Hoffman noted that the TANF caseload was down 20% over the past 18 months and said no one knows why. She and the committee agreed that a study is in order, particularly since the WROC sunsets in the coming calendar year and it should be clear whether the state's efforts to reform the system have been successful.

Minutes

On motion of Representative Varela, seconded by Representative Vaughn, the minutes of the previous meeting were accepted as circulated.

Adjournment

The committee adjourned at 12:05 p.m.